

*Here's me Irving Wallace dug up.
Judge Paonessa married me in 1956 -*

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I. Wallace, How Young Lawyer Nixon Bungled His First Case,

LA [newspaper], Dec. 9, 1972, p. 12

IN HANDLING HIS FIRST LAWSUIT, A case that was heard in 1937 and went on until 1940, Richard M. Nixon was reprimanded by a Los Angeles judge for his ethical behavior, and, finally was sued by his client for mishandling her case. At one point during the hearing, Judge Alfred Paonessa admonished young attorney Nixon: "Mr. Nixon, I have serious doubts whether you have the ethical qualifications to practice law in the State of California. I am seriously thinking of turning this matter over to the Bar Association."

This occurred during a little-known period of President Nixon's life when he was an attorney with Wingert and Bewley, the oldest law firm in Whittier, Nixon's home town. Working for this firm between 1937 and 1941, Nixon specialized in probate cases, divorce cases, and oil lease contracts. However, in Nixon's very first case as a trial lawyer, 10 days after he had been admitted to the California bar, he was assigned to represent in the Municipal Court a Los Angeles woman who sought recovery of a bad debt.

It was in this case - Los Angeles Municipal Court Action No. 457600 dated Dec. 10, 1937, which in turn led to two subsequent actions involving Nixon in December, 1939, and in March, 1940 - that Nixon committed a grave blunder that damaged his own client. When Nixon tried to make up for it by submission of a questionable affidavit, he was charged by the bench with conduct unbecoming an attorney.

The original Los Angeles Municipal Court Action, in which Nixon's behavior came under severe criticism, involved Marie Schee, plaintiff and appellant, vs. Otto A. Steuer and Jenneieve Steuer, defendants and respondents. In a civil brief concerning the case, it was stated that "a young attorney by the name of Richard M. Nixon was occasionally employed by the said firm of Wingert and Bewley as their outside man." It was Nixon, representing Mrs. Schee, whom he'd never met, who brought suit to recover \$2,000 from her aunt and uncle, the Steuers, who were defended in the claim by attorney David Schwartz, then located at 210 West 7th St., Los Angeles.

The key elements in Nixon's first case were: Marie Schee had loaned \$2,000 to her relatives, the Steuers; when they failed to pay her back in time, she decided to sue them and hired the firm of Wingert and Bewley to prosecute for her. Which firm assigned the case to its newest lawyer, Richard M. Nixon.

Nixon discovered that the debtors, the Steuers, owned a piece of real estate in Los Angeles. To recover the money - actually \$2,245.29, including accumulated interest - Nixon foreclosed on the property and had the City Marshal, Frank L. Holt, put it up for sale so that the property would provide money to pay back part of the debt Nixon was trying to collect.

A Bad Bid

There was one routine procedure for Nixon to follow, but he failed to follow it. According to a source close to the case: "Normally, Nixon should have come in and bid as little as he could. If the property at the Marshal's sale could be acquired for \$500, Nixon would have the real estate back in his client's hands, and still be free to get a deficiency judgment for the remaining debt of \$1,500. But even though he was the only bidder - there were no others there - Nixon very foolishly bid \$2,000, the full price. This was absolutely unnecessary and precluded him from getting a further deficiency judgment. Since Nixon committed the mistake of bidding the full amount, the court deemed that the property his client had received represented full recovery of her debt. Therefore, Nixon was not free to file a deficiency judgment. It was a stupid thing to do legally, since his client might have had her property and still had the right to a second deficiency judgment on other properties the debtors owned or on money they might come into."

To compound his error, Nixon apparently overlooked the fact that the property he had purchased back for his client already had a first and second trust deed against it. When the holders of those trust deeds, Mr. and Mrs. C.T. Scholz, instituted proceedings to foreclose on the property, Nixon's client was left with nothing. Mrs. Schee's stepmother, Mrs. S. Emilie Force, then bought back the trust deeds to clear the property.

Infuriated by what Nixon had done on behalf of her daughter, Mrs. Force, according to Brief No. 13774 in the District Court of Appeal, Second Appellate District, "believing she had been badly advised, or worse," instituted Action No. 436135, entitled 'Complaint in Negligence' in the Superior Court of Los Angeles County against Wingert and Bewley and Nixon, who handled the case for them.

Richard M. Nixon's involvement in this case, and in the two appeals that stemmed from it, resulted in the following:

Nixon made an error in prosecuting the claim for his client which forfeited her right to obtain a deficiency judgment to recover her debt. Nixon's employer, Thomas W. Bewley, still practicing in Whittier, no longer recalls Nixon's role in the case but does remember the error and admits his "law firm made a mistake in the action." Associates of opposing counsel, David Schwartz, who died 13 years ago, are less generous and recall Nixon's handling of the case as "inept."

To make up for his blunder, Nixon prepared and submitted to the judge an affidavit that, according to a source close to the case, "was so patently fraudulent" that the judge sitting on the case was enraged.

As a result of his questionable affidavit, Nixon was strongly reprimanded by the judge from the bench and threatened with the possibility of disbarment proceedings. According to two separate sources, one a prominent retired attorney now living in Beverly Hills, the other his one-time partner who still practices law in Los Angeles, they were shown a copy of the original court transcript in 1959 by Nixon's opposing counsel, David Schwartz. In it a court reporter had set down the exact words that the jurist, Judge Alfred Paonessa, used to censure Nixon. According to these independent witnesses to the trial transcript, Judge Paonessa said to Richard Nixon, "Mr. Nixon, I have serious doubts whether you have the ethical qualifications to practice law in the State of California. I am seriously thinking of turning this matter over to the Bar Association."

A New Lawyer

Because Nixon had mishandled her case and lost her judgment, Mrs. Schee, reinforced by her stepmother, decided

to turn around and sue Richard Nixon through his employers, Wingert and Bewley, for what amounted to unauthorized activity on her behalf and for gross negligence. Mrs. Schee hired a new attorney, Daniel A. Knapp, then located at 357 South Hill St., Los Angeles, to file briefs pointing out Nixon's misrepresentation of her case, asking the District Court of Appeal to undo the motion made in the original case.

Because of these two new appeals, one against the Steuers, the other against the Marshal of Los Angeles, Richard Nixon was forced to appear in court as a witness and give testimony defending his activities. According to a brief still on file in the Appellate Division of the Los Angeles Superior Court, Nixon tried to explain to the court how he had acted without his client's authority in handling her case.

On Dec. 14, 1939, Nixon told the court, in part: "I generally attend to outside matters such as sales on execution and motions on behalf of the firm of Wingert and Bewley. I believe that on June 28, 1939 Mr. Bewley was ill at home. While I had no particular instructions from Mr. Bewley on the date of sale, it was part of my duty to attend such sale as it was always my understanding that we were to press... such sale and not to grant any further continuances. Mrs. Schee was not present at the time of sale and I do not believe I ever talked to her myself."

The case ended by being settled out of court. Thomas W. Bewley, Nixon's employer, while he does not recall Mrs. Schee as a client, says he does remember her stepmother, Mrs. Force, as being a participant. According to Bewley, "I remember we paid off the stepmother. We gave Mrs. Force \$4,000 because our firm had made a mistake in allowing her to be foreclosed." Nixon's first law case had netted his firm no profit, but had cost them \$4,000 in 1940, a year when the sum was worth considerably more than it is today.

A year after that case, Nixon gave up law practice temporarily to spend six months with the Office of Price Administration in Washington D.C. Then, in August, 1942, he enlisted in the Navy, and was discharged in 1946. Following that, Nixon went into politics. But his only outside livelihood has come from practicing law.

Nixon has represented three law firms in the past. After graduating from Duke University's law school in 1937, Nixon tried to tie up with several major New York law firms but was rejected.

In checking all the major biographies of Nixon, I could find mention of only two cases he handled for his Whittier firm. One was a divorce case, the other a civil case concerning an oil gas lease. No mention has been made in any published source on Nixon's handling of the Schee-Steuer case.

In The Chips

After his defeat for the Presidency in 1960, Nixon returned to law briefly, working for the Los Angeles firm of Adams, Duque and Hazeltine for eight months.

Nixon's last stint with a law firm was from 1963 to 1968 when he became a full partner in the 103-year-old New York law firm of Mudge, Rose, Guthrie and Alexander. After Nixon joined this firm at a salary of between \$150,000 and \$200,000 a year, the firm expanded its Washington, D.C., office from a single lawyer to 11 lawyers. In five years, Nixon appeared in court only once for this firm. He appeared before the Supreme Court in defense of a family suing *Life* magazine, and he lost his plea on a 5-4 decision.

My six weeks of research in uncovering Nixon's first law case was filled with startling discoveries and numerous deadends. For example, the original transcript of the Schee vs. Steuer case has disappeared. The Municipal Court no longer possesses a full transcript, explaining that they hold court documents only 10 years and then they destroy them. The counsel who had opposed Nixon, David Schwartz, possessed

a copy, and showed it to two fellow attorneys in 1959 as a matter of interest because Nixon was preparing to run for the Presidency.

One of these two prominent attorneys told me, "One day in 1959, after lunch we dropped by David Schwartz's office. Nixon was in the news, and David Schwartz said he had something interesting to show us. He had the transcript of the case where he had opposed Nixon, and where Nixon had been bawled out and threatened with disbarment by the judge. He handed it to us. I remember it was a typewritten court reporter transcript. I remember it vividly. After reading how the judge accused Nixon of unethical behavior and threatened him with disbarment, I was shocked. I never forgot it. My partner, a relative of Schwartz, remembers it exactly as I do. In 1960, with Nixon running for President, I was curious to see the transcript again. But by then, David Schwartz had died. His son, Merton Schwartz, had taken over the firm. He could not locate the old transcript. It had disappeared or been destroyed after his father's death."

Merton L. Schwartz practices law at 9171 Wilshire Blvd. in Beverly Hills. He recalls the transcript, but all he remembers clearly was Nixon's "inept handling of the case." He has no clear memory of Nixon being chastised for unethical behavior. However, Merton Schwartz was able to turn over to me the three briefs dealing with Nixon's negligence. Nixon's old employers still exist, now as Bewley, Laeslehen and Miller, at 7624 S. Parker in Whittier. Bewley, of course, would not supply the transcript. Judge Laeslehen, in return, would not remember the case at all. I was surprised to learn of the documentation that Nixon had once appeared before him.

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